

DATE: September 12, 2023

LTC RATES POLICY LETTER 23-001

TO: FREESTANDING SKILLED NURSING FACILITIES

SUBJECT: FREESTANDING SKILLED NURSING FACILITY CY 2023 RATES

PURPOSE:

This Long-Term Care (LTC) Rates Policy Letter implements the Medi-Cal reimbursement rate calculation for Freestanding Nursing Facility Level-B (FS/NF-B) and Freestanding Adult Subacute (FS/SA) units for Calendar Year (CY) 2023 rates, effective January 1, 2023, in accordance with Assembly Bill (AB) 186 (Chapter 42, Statutes of 2022) and pending federal approval in proposed State Plan Amendment (SPA) 23-0006.

BACKGROUND:

The Medi-Cal Long-Term Care Reimbursement Act (Article 3.8 of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code (WIC), beginning with section 14126) and the California Medicaid State Plan (Supplement 4 of Attachment 4.19-D) establish a cost-based, facility-specific reimbursement rate methodology for FS/NF-Bs and FS/SAs. WIC section 14126.027 authorizes the Department of Health Care Services (DHCS) to implement the Medi-Cal Long-Term Care Reimbursement Act by means of provider letters or other similar instructions, without taking regulatory action, notwithstanding Chapter 3.5 (commencing with section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The Medi-Cal Long-Term Care Reimbursement Act was most recently amended by AB 186. Changes to the California Medicaid State Plan necessary to effectuate the changes made by AB 186 to the calculation of the CY 2023 FS/NF-B and FS/SA are pending federal approval in proposed SPA 23-0006.

In accordance with the Medi-Cal Long-Term Care Reimbursement Act, DHCS annually computes prospective facility-specific per diem rates for FS/NF-Bs and FS/SAs based on projected costs within several cost categories which are subject to geographic peer group limits. DHCS projects costs based on the most recent audited cost report



data trended for inflation. The CY 2023 rates are developed based on audited cost reports for fiscal year ending (FYE) 2020. For ratesetting, FS/NF-Bs and FS/SAs are treated as separate facilities even when units are co-located under the same license. Additionally, statute limits the maximum aggregate increase in the weighted average Medi-Cal reimbursement rate.

Furthermore, AB 186 provides that for the duration of CY 2023, facilities will continue to receive a rate add-on equivalent to the COVID-19 Public Health Emergency (PHE) temporary rate increase. The funds will continue to be restricted to allowable costs set forth in AB 81 (Chapter 13, Statutes of 2020) and subject to audit. Pursuant to WIC section 14126.032(a)(2), at least 85 percent of the funds from the CY 2023 add-on must be used for labor costs such as increased wages or benefits, shift incentive payments, staff retention bonuses, pay differential for workers employed by more than one facility, or overtime payments to non-managerial workers.

As part of the California Advancing and Innovating Medi-Cal (CalAIM) initiative, Medi-Cal institutional Long-Term Care (LTC) services are being fully carved into the managed care delivery system. Effective January 1, 2023, managed care plans are fully responsible for FS/NF-B services in all counties. Managed care plans will be responsible for FS/SA services in all counties effective January 1, 2024. More information, please see the CalAIM Long-Term Care Carve-In Transition website at <https://www.dhcs.ca.gov/provgovpart/Pages/Long-Term-Care-Carve-In-Transition.aspx>.

POLICY:

DHCS hereby adopts the ratesetting calculations described in Appendix A and B to calculate the CY 2023 FS/NF-B and FS/SA rates, respectively. DHCS hereby adopts the peer group definitions contained in Appendix C applicable to FS/NF-Bs. FS/SAs are treated as one peer group on a statewide basis.

The methodologies described in Appendix A and B are not applicable to facilities exempt from the calculation of a CY 2023 facility-specific cost-based rate pursuant to the California Medicaid State Plan. The California Medicaid State Plan provides for the reimbursement of specified facilities at the peer group weighted average rate. Out of state facilities are reimbursed at the statewide average rate. Weighted average rates are published in Appendix D. Reimbursement policies affecting facility-specific rates for bed holds or leaves of absences, hospice room and board, and special treatment programs are described in Appendix E. Pursuant to the California Medicaid State Plan, facilities with a pending change of ownership will continue to receive the reimbursement rate of the previous owner.

I. Rate Growth Limit Methodology

AB 186 newly requires a split aggregate growth limit for labor and non-labor rate components for the CY 2023 rate year. In CY 2023, the maximum annual aggregate increase for the weighted average labor rate component is 5 percent, and the maximum annual aggregate increase for the weighted average non-labor rate component is 2 percent. Additionally, the maximum annual growth limit is increased for the projected cost of complying with new state or federal mandates.

In order to implement the split growth aggregate limit methodology, DHCS developed a new methodology to calculate and apply the split growth limit. Furthermore, within the aggregate growth limits, DHCS applied a budget-neutral hold harmless calculation to prevent the change in methodology from resulting in unintended rate decrease.

1. DHCS allocated each facility's CY 2022 final rate to baseline CY 2022 labor and non-labor rate components based on facility-specific proportions of CY 2022 rate components. The preliminary hold harmless amount for each rate component is established equal to the CY 2022 baseline.
2. If a facility's projected CY 2023 amount for a rate component (prior to the application of the growth limit) decreased relative to the facility's projected CY 2022 amount for the that rate component (prior to the application of the growth limit), the hold harmless amount for that rate component is decreased proportionally.
3. Rate growth is preliminarily allocated to each facility's rate components based on the difference between the facility's hold harmless amount for the rate component and the facility's projected CY 2023 amount (prior to the application of the growth limit) for the respective rate component.
4. The preliminary allocation of rate growth is then uniformly prorated for each rate component within each class of facilities by a growth adjustment factor so that the increase in the weighted average amount does not exceed the applicable maximum.
5. Because the resulting weighted average rate increase for the FS/SA labor rate component is less than the allowed 5 percent maximum increase, an adjustment is made to the allocation of FS/NF-B labor rate component growth so that in aggregate, across both facility classes, the weighted average increase in the labor rate component is 5 percent.
6. The CY 2023 final rate components are set to equal the hold harmless amount plus the adjusted rate growth allocation.

For the calculation of the adjustment factors and weighted average rates, each facility's rate components are weighted by annualized Medi-Cal days from each facility's FYE 2020 audited cost report. The adjustment factors and weighted average rates are calculated prospectively at the time of the initial rate study on an aggregate basis and will not be recalculated on the basis of any future facility-specific rate recomputations.

Facilities that did not have facility-specific cost-based rates in CY 2022 (e.g. pending change of ownership status, new facilities without sufficient audited cost report information) are excluded from the rate growth limit calculations described above due to lack of an applicable facility-specific baseline starting point. Instead, in order to equitably apply the rate growth limit and maintain parity with other facilities, these facilities' projected rate components are prorated by the weighted average factor by which included facilities' rate components were adjusted.

Facilities receiving a prior owner's rate during a pending change of ownership and facilities receiving a peer group or statewide weighted average rate are excluded from the rate growth limit calculations.

Table 1: Adjustment Factors

	Growth Adjustment Factor		Newly Established Rate Adjustment Factor	
	<i>Labor</i>	<i>Non-Labor</i>	<i>Labor</i>	<i>Non-Labor</i>
FS/NF-B	28.31%	5.03%	88.08%	72.76%
FS/SA	100.00%	16.94%	100.00%	90.19%

Table 2: Demonstration of Growth Limits for Labor and Non-Labor Cost Components

	Annualized Medi-Cal Days (Included Facilities)	2022 Weighted Average		2023 Weighted Average		Percent Change	
		<i>Labor</i>	<i>Non-Labor</i>	<i>Labor</i>	<i>Non-Labor</i>	<i>Labor</i>	<i>Non-Labor</i>
FS/NF-B	16,523,509	\$169.63	\$69.60	\$178.67	\$70.99	5.3%	2.0%
FS/SA	657,994	\$394.08	\$132.11	\$399.74	\$134.76	1.4%	2.0%
Aggregate	17,181,503	\$178.23	\$72.00	\$187.14	\$73.44	5.0%	2.0%

II. Minimum Wage Adjustments

Cost reports FYE 2020 are adjusted for the projected cost of statewide minimum wage increases effective January 1, 2021, January 1, 2022, and January 1, 2023. The per diem cost of the minimum wage increases are projected using facility-reported survey data collected by DHCS and the statewide minimum wage effective for employers with more than 26 employees, plus a \$0.20 differential for certified nursing assistants required by AB 2567 (Statutes of 1978).

The projected cost of the statewide minimum wage increase effective January 1, 2023, is deemed to be a new state mandate, and is added to the maximum annual aggregate increase for CY 2023 after the application of the rate growth limit methodology. Since the CY 2022 rate included reimbursement add-ons for the minimum wage increases effective in CY 2021 and CY 2022, no additional adjustment is made to the maximum annual aggregate increase for CY 2023.

Table 3: Minimum Wage Add-ons

Minimum Wage Effective	Prior Minimum Wage	New Minimum Wage	Projected Per Diem Cost
January 1, 2023	\$15.00	\$15.50	\$0.45
January 1, 2022	\$14.00	\$15.00	\$0.90
January 1, 2021	\$13.00	\$14.00	\$1.08

III. Facility Licensing Fees and Quality Assurance Fees

Facilities are reimbursed for the state required Quality Assurance Fee (QAF) and facility licensing fees. The amount of these fees changes annually. DHCS will exclude these fees from the calculation of the rate growth limit methodology by (1) removing the CY 2022 per diem cost of these fees from the CY 2022 non-labor rate component utilized for the CY 2023 rate growth limit calculations and (2) adding the CY 2023 per diem cost of these fees after the calculation of the rate growth limit for CY 2023.

Table 4: Quality Assurance Fee

Facility Category	2022	2023	Increase
Less than 100,000 Days	\$16.96	\$19.61	\$2.65
More than 100,000 Days	\$16.08	\$18.65	\$2.57

Table 5: Facility Licensing Fees

Locality	2021-22	2022-23	Increase
Statewide, other than LA County	\$922	\$1,061	\$139
Los Angeles County	\$1,533	\$1,765	\$232

Facilities that are exempt from QAF pursuant to Health and Safety Code Section 1324.20 and will not be reimbursed for per diem cost of the QAF.

IV. Policy Letter Adoption

This Policy Letter supersedes all prior guidance, bulletins, instructions, and regulations issued by DHCS on the matters described herein. DHCS reserves the right to modify, waive, or rescind any provision of this Policy Letter. This methodology described in this Policy Letter is contingent upon, and may be revised to obtain, final federal approval of pending SPA 23-0006. This Policy Letter is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

A copy of this Policy Letter is posted on the Medi-Cal Long Term Care Reimbursement website at <https://www.dhcs.ca.gov/services/medi-cal/Pages/AB1629/LTC.aspx>. If you have any questions regarding this Policy Letter, please contact the Medi-Cal Long Term Care Reimbursement Inbox at AB1629@dhcs.ca.gov.

Sincerely,

Original Signed by Alek Klimek

Alek Klimek, Chief
Fee-For-Service Rates Development Division

Appendix A: 2023 FS/SNF-B Ratesetting Calculation

Section 1. Facility Information (columns A through K)

- a. **Column A:** Department of Health Care Access and Information (formerly Office of Statewide Planning and Development) ID.
- b. **Column B:** Two-digit Alphabetic County Code assigned by the state (see Appendix C).
- c. **Column C:** National Provider Identifier (NPI).
- d. **Column D:** Facility Name.
- e. **Column E:** Cost Report Period Begin Date.
- f. **Column F:** Cost Report Period End Date.
- g. **Column G:** "Mid-Point" is the mid-point of the facility cost report period.
- h. **Column H:** Peer Group Indicator (see Appendix C).
- i. **Column I:** "Audited Skilled Nursing Days" is the Audited Skilled Nursing Days from the Audit Schedule 1, line 12.
- j. **Column J:** "Medi-Cal Skilled Nursing Days" is Audited Medi-Cal Skilled Nursing Days from the Audit Schedule 1, lines 16 and 17.
- k. **Column K:** "Annualized Medi-Cal Skilled Nursing Days" is Column J annualized to the applicable calendar year.

Section 2. Direct Care Labor (columns L through P)

- a. **Column L:** "Audited Direct Labor" is the amount shown on Audit Schedule 1, line 1, which includes include salaries, wages, and benefits related to routine nursing services personnel, defined as nursing, social services, and activities for both permanent employees and temporary staff.
- b. **Column M:** "Inflated Direct Labor" applies the DHCS Labor Study inflation factor to Audited Direct Labor costs from column L. Direct labor costs are inflated from the mid-point of the facility's audited cost report period to the mid-point of the rate year.
- c. **Column N:** "Direct Labor Per Diem" is the Inflated Direct Labor in column M divided by the facility's total Audited Skilled Nursing Days in column I.
- d. **Column O:** "95th Percentile for Peer Group" is the direct care labor benchmark per diem cap that is applied to the calculated Direct Labor Per Diem in column N.
- e. **Column P:** "Final Direct Labor Per Diem" is the lesser of the Direct Labor Per Diem in column N and 95th Percentile for Peer Group amount in column O.

Section 3. Indirect Care Labor (columns Q through U)

- a. **Column Q:** "Audited Indirect Labor" is the amount shown on Audit Schedule 1, line 2, which includes labor costs for:
- Plant Operations and Maintenance Personnel
 - Housekeeping Personnel
 - Laundry/Linen Personnel
 - Dietary Personnel
 - In-Service Education Personnel
 - Medical records
- b. **Column R:** "Inflated Indirect Labor" applies the DHCS Labor Study inflation factor to the Audited Indirect Labor costs in column Q. Indirect labor costs are inflated from the mid-point of the facility's audited cost report period to the mid-point of the rate year.
- c. **Column S:** "Indirect Labor Per Diem" is the Inflated Indirect Labor amount in column R divided by the facility's total Audited Skilled Nursing Days in column I.
- d. **Column T:** "95th Percentile for Peer Group" is the indirect care benchmark per diem cap that is applied to the calculated Indirect Labor Per Diem in column S.
- e. **Column U:** "Final Indirect Labor Per Diem" is the lesser of the Indirect Labor Per Diem in column S and 95th Percentile for Peer Group amount in column T.

Section 4. Direct & Indirect Non-Labor (columns V through Z)

- a. **Column V:** "Audited Direct/Indirect Non-Labor" is the amount shown on Audit Schedule 1, line 3, which includes non-labor costs for:
- Skilled Nursing
 - Social Services
 - Activities
 - Plant Operations and Maintenance
 - Housekeeping
 - Laundry/Linen
 - Dietary
 - In-Service Education
- b. **Column W:** "Inflated Direct/Indirect Non-Labor" applies the California Consumer Price Index (CCPI) inflation factor to Audited Direct/Indirect Non-Labor costs in column V. Audited Direct/Indirect Non-Labor costs are inflated

from the mid-point of the facility's audited cost report period to the mid-point of the rate year.

- c. **Column X:** "Direct/Indirect Non-Labor Per Diem" is the Inflated Direct/Indirect Non-Labor amount in column W divided by the facility's total Audited Skilled Nursing Days in column I.
- d. **Column Y:** "75th Percentile for Peer Group" is the direct/indirect non-labor care benchmark per diem cap that is be applied to the calculated Direct/Indirect Non-Labor Per Diem in column X.
- d. **Column Z:** "Final Direct/Indirect Non-Labor Per Diem" is the lesser of the Direct/Indirect Non-Labor Per Diem in column X and the 75th Percentile for Peer Group amount in column Y.

Section 5. Administration (columns AA through AE)

- a. **Column AA:** "Audited Admin" is the amount shown on Audit Schedule 1, line 10, includes total costs for:
 - Administration
 - Property Insurance
 - Interest – Other
- b. **Column AB:** "Inflated Admin" applies the CCPI inflation factor to Audited Admin costs in column AA. Administration costs are inflated from the mid-point of the facility's audited cost report period to the mid-point of the rate year.
- c. **Column AC:** "Admin Per Diem" is the Inflated Admin amount in column AA divided by the facility's total Audited Skilled Nursing Days in column I.
- d. **Column AD:** "50th Percentile for Peer Group" is the administrative cost benchmark per diem cap that is applied to the calculated Admin Per Diem in column AC.
- e. **Column AE:** "Final Admin Per Diem" is the lesser of the Admin Per Diem amount in column AC and the 50th Percentile for Peer Group amount in column AD.

Section 6. Professional Liability Insurance (columns AF through AJ)

- a. **Column AF:** "Audited Liability Insurance" is the amount shown on Audit Schedule 1, line 7.
- b. **Column AG:** "Inflated Liability Insurance" applies the CCPI inflation factor to costs in column AF. Liability Insurance costs are inflated from the mid-point of the facility's audited cost report period to the mid-point of the rate year.

- c. **Column AH:** "Liability Insurance Per Diem" is the Inflated Liability Insurance amount in column AG divided by the facility's total Audited Skilled Nursing Days in column I.
- d. **Column AI:** "75th Percentile for Peer Group" is the liability insurance benchmark per diem cap that is applied to the calculated Liability Insurance Per Diem in column AH.
- e. **Column AJ:** "Final Liability Insurance Per Diem" is the lesser of the Liability Insurance Per Diem in Column AH and the 75th Percentile for Peer Group amount in column AI.

Section 7. Property Tax (columns AK through AM)

- a. **Column AK:** "Audited Property Tax" is the amount shown on Audit Schedule 1, line 5.
- b. **Column AL:** "Inflated Property Tax" applies a two percent per annum (0.16667 percent per month) inflation factor to Audited Property Tax costs in column AK. Property taxes are inflated from the mid-point of the facility's audited cost report period to the mid-point of the rate year.
- c. **Column AM:** "Final Property Tax Per Diem" is the Inflated Property Tax amount in column AL divided by the facility's total Audited Skilled Nursing Days in column I. Property tax per diem costs are not limited on a peer-group basis.

Section 8. Caregiver Training (columns AN through AP)

- a. **Column AN:** "Audited Caregiver Training" is the amount shown on Audit Schedule 1, line 8, which includes costs for education that is organized to train students to enter a caregiver occupational specialty.
- b. **Column AO:** "Inflated Caregiver Training" applies the CCPI inflation factor to the Audited Caregiver Training costs in column AN. Inflated Caregiver Training costs are inflated from the mid-point of the facility's audited cost report period to the mid-point of the rate year.
- c. **Column AP:** "Caregiver Training Per Diem" is the Inflated Caregiver Training costs in column AN divided by the facility's total Audited Skilled Nursing Days in column I. Caregiver training per diem costs are not limited on a peer group basis.

Section 9. Fair Rental Value System (column AQ)

- a. **Column AQ:** Fair Rental Value System (FRVS) per diem is calculated based on the estimated current value of its capital assets in lieu of actual costs and/or lease payments on land, buildings, fixed equipment and major movable equipment used in providing resident care. The FRVS formula recognizes age and condition of the facility. Facilities receive increased reimbursement when improvements are made. FRVS per diem costs are not limited on a peer group basis.

Section 10. Licensing Fees (columns AR through AU)

- a. **Column AR:** "Facility's Licensed Beds Less Contracted Subacute Beds" are the facility's licensed skilled nursing beds shown on *HCAI Long-Term Care Annual Financial Data 2020 Complete Data Set (As Submitted)* report page 4.3, column 1.0, line 10.0, minus the facility's contracted subacute beds shown on Audit Subacute Care Schedule 1, line 45.
- b. **Column AS:** "Bed License Fee" are the Department of Public Health's fee per bed:
- \$1,765 Los Angeles County
 - \$1,061 Statewide, other than Los Angeles County
- c. **Column AT:** "Prospective License Fees" multiplies the Facility's Licensed Beds in column AR by the Bed License Fee in column AS.
- d. **Column AU:** The "License Fee Per Diem" divides the Prospective License Fees in column AT by the facility's total Audited Skilled Nursing Days in column I, annualized to the applicable calendar year. Licensing fee per diem costs are not limited on a peer-group basis.

Section 11. Minimum Wage Add-Ons (column AV and AW)

- a. **Column AV:** "CY 2021 and 2022 Minimum Wage Add-Ons" is the total add-on of \$1.98 for minimum wage increases effective January 1, 2021 and January 1, 2022 as described in the Policy Letter.
- b. **Column AW:** "CY 2023 Minimum Wage Add-On" is \$0.45 for the minimum wage increase effective January 1, 2023 as described in the Policy Letter.

Section 12. Labor Rate Component Growth Allocation (columns AX through BE)

- a. **Column AX:** "CY 2023 Labor, Projected Costs" is the sum of:
 - Column P – Final Direct Care Labor Per Diem
 - Column U – Final Indirect Care Labor Per Diem
 - Column AV – CY 2021 and 2022 Minimum Wage Add-Ons
- b. **Column AY:** "CY 2022 Labor Final Rate Component" is the final CY 2022 labor per diem rate, as adjusted to meet the CY 2022 growth limit.
- c. **Column AZ:** "CY 2022 Labor Projected Cost" is the CY 2022 labor projected costs with inflation but excluding adjustments to meet the CY 2022 growth limit.
- d. **Column BA:** "Decrease in CY 2023 vs CY 2022 Labor Projected Cost" calculates the percentage decrease between the CY 2023 Labor Projected Costs in column AX and the CY 2022 Labor Projected Costs in column AZ, if applicable.
- e. **Column BB:** "CY 2023 Labor Hold Harmless" reflects the facility's hold harmless amount, which is calculated by prorating the CY 2022 Labor Final Rate Component in column AY by the percentage decrease in CY 2023 vs CY 2022 Labor Projected Cost in column BA, if applicable.
- f. **Column BC:** "Preliminary Labor Growth Allocation" is the calculated difference between CY 2023 Labor Projected Costs in column AX and CY 2023 Labor Hold Harmless in column BB. If a facility's CY 2023 Labor Projected Costs is less than the CY 2023 Labor Hold Harmless, the Preliminary Labor Growth Allocation is set to \$0.
- g. **Column BD:** "Adjusted Labor Growth Allocation" is the Preliminary Labor Growth Allocation in column BC, prorated by the Labor Growth Adjustment Factor of 28.31 percent so that aggregate growth in the weighted average labor rate component does not exceed 5 percent.
- h. **Column BE:** "CY 2023 Labor Rate Component" is the sum of the CY 2023 Labor Hold Harmless in column BB and Adjusted Labor Growth Allocation in column BD.

Section 13. Non-Labor Rate Component Growth Allocation (columns BF through BM)

- a. **Column BF:** "CY 2023 Non-Labor, Projected Costs" is the sum of:
 - Column Z - Final Direct/Indirect Non-Labor Per Diem
 - Column AE - Final Admin Per Diem
 - Column AJ - Final Liability Insurance Per Diem
 - Column AM - Final Property Tax Per Diem

- Column AP – Caregiver Training Per Diem
 - Column AQ – Fair Rental Value System (FRVS)
- b. Column BG:** "CY 2022 Non-Labor Final Rate Component" is the final CY 2022 non-labor per diem rate, as adjusted to meet the CY 2022 growth limit.
 - c. Column BH:** "CY 2022 Non-Labor Projected Cost" is the CY 2022 non-labor projected costs with inflation but excluding adjustments to meet the CY 2022 growth limit.
 - d. Column BI:** "Decrease in CY 2023 vs CY 2022 Non-Labor Projected Cost" calculates the percentage decrease between the CY 2023 Non-Labor Projected Cost in column BF and the CY 2022 Non-Labor Projected Cost in column BH, as applicable.
 - e. Column BJ:** "CY 2023 Non-Labor Hold Harmless" reflects the facility's hold harmless amount, which is calculated by prorating the CY 2022 Non-Labor Final Rate Component in column BG by the percentage Decrease in CY 2023 vs CY 2022 Non-Labor Projected Cost in column BI, if applicable.
 - f. Column BK:** "Preliminary Non-Labor Growth Allocation" is the calculated difference between CY 2023 Non-Labor Projected Costs in column BF and CY 2023 Non-Labor Hold Harmless in column BJ. If a facility's CY 2023 Non-Labor Projected Costs is less than the CY 2023 Non-Labor Hold Harmless, the Preliminary Non-Labor Growth Allocation is set to \$0.
 - g. Column BL:** "Adjusted Labor Growth Allocation" is the Preliminary Non-Labor Growth Allocation in column BK, prorated by the Non-Labor Growth Adjustment Factor of 5.03 percent so that aggregate growth in the weighted average non-labor rate component does not exceed 2 percent.
 - h. Column BM:** "CY 2023 Non-Labor Rate Component" is the sum of the CY 2023 Non-Labor Hold Harmless in column BJ and the Adjusted Labor Growth Allocation in column BL.

Section 14. Final Rate Calculation (columns BN through BT)

- a. Column BN:** "CY 2023 Draft Rate" is the sum of the CY 2023 Labor Rate Component in column BE and the CY 2023 Non-Labor Rate Component in column BM.
- b. Column BO:** "CY 2023 Draft Rate Adjusted for 2023 Minimum Wage Add-On" is the sum of the CY 2023 Draft Rate in column AW and the CY 2023 Minimum Wage Add-On in column BN.
- c. Column BP:** "CY 2023 Draft Rate Adjusted for 2023 Minimum Wage Add-on and License Fee" is the sum of the CY 2023 Draft Rate Adjusted for 2023 Minimum Wage Add-On in column BO and License Fee Per Diem in column AU.

- d. Column BQ:** "2023 QA Fee Add-On" is the 2023 QAF:
- \$19.61 per resident day for facilities with less than 100,000 total annual resident days.
 - \$18.65 per resident day for facilities with 100,000 or more total annual resident days.
 - Facilities that are exempt from QAF pursuant to Health and Safety Code Section 1324.20 and will not receive an add-on.
- e. Column BR:** "CY 2023 Draft Rate Adjusted for 2023 Minimum Wage Add-on, License Fee, and QAF" is the sum of the CY 2023 Draft Rate Adjusted for 2023 Minimum Wage Add-on, and License Fee, in column BP and 2023 QA Fee Add-On in column BQ.
- f. Column BS:** "COVID Increase Amount" is the COVID-19 PHE Temporary Rate Increase that was effective for the facility for Rate Year 2019-2020. FS/NF-B facilities will continue to receive the COVID-19 PHE Temporary Rate Increase for dates of service through December 31, 2023. If a facility did not receive a COVID-19 PHE Temporary Rate Increase for Rate Year 2019-2020, the facility will receive the statewide weighted average COVID-19 PHE Temporary Rate Increase of \$22.90.
- g. Column BT:** "CY 2023 Final Rate" is the sum of the CY 2023 Draft Rate Adjusted for 2023 Minimum Wage Add-on, License Fee, and QAF in column BR and the COVID Increase Amount in column BS. This is the final per diem rate facilities are scheduled to receive for dates of service on January 1, 2023, through December 31, 2023.

Facilities Receiving Newly Established Rates

For facilities that did not have facility-specific cost-based rates in CY 2022, Sections 12 and 13 are substituted as follows:

- a. Column AX:** "CY 2023 Labor, Projected Costs" is the sum of:
- Column P – Final Direct Care Labor Per Diem
 - Column U – Final Indirect Care Labor Per Diem
 - Column AV – CY 2021 and 2022 Minimum Wage Add-Ons
- b. Column BE:** "CY 2023 Labor Rate Component" is the CY 2023 Labor Projected Costs in column AX, multiplied by an adjustment of 88.08 percent. The percentage adjustment represents the weighted average factor by which the CY 2023 Labor Projected Costs for facilities included in Section 12 were adjusted.
- c. Column BF:** "CY 2023 Non-Labor, Projected Costs" is the sum of:
- Column Z - Final Direct/ Indirect Non-Labor Per Diem

- Column AE - Final Admin Per Diem
- Column AJ - Final Liability Insurance Per Diem
- Column AM - Final Property Tax Per Diem
- Column AP – Caregiver Training Per Diem
- Column AQ – Fair Rental Value System (FRVS)

d. Column BM: “CY 2023 Non-Labor Rate Component” is the CY 2023 Non-Labor Projected Costs, column BF, multiplied by an adjustment of 72.76 percent. The percentage adjustment represents the weighted average factor by which the CY 2023 Non-Labor Projected Costs for facilities included in Section 12 were adjusted.

Appendix B. 2023 FS/SA Ratesetting Calculation

Section 1. Facility Information (columns A through I)

- a. **Column A:** Department of Health Care Access and Information (formerly Office of Statewide Planning and Development) ID
- b. **Column B:** National Provider Identifier (NPI)
- c. **Column C:** Facility Name
- d. **Column D:** Cost Report Period Begin Date
- e. **Column E:** Cost Report Period End Date
- f. **Column F:** "Mid-Point" is the mid-point of the facility cost report period.
- g. **Column G:** "Total Audited Days" from the Audit Subacute Care Schedule 1, line 40.
- h. **Column H:** "Total Skilled Nursing Medi-Cal Days" is the sum of the Audited Medi-Cal FFS Days from the Audit Subacute Care Schedule 1, line 48 and Audited Medi-Cal Managed Care Days from Audit Subacute Care Schedule 1, line 49.
- i. **Column I:** "Annualized Total Skilled Nursing Medi-Cal Days" is Column H annualized to the applicable calendar year.

Section 2. Direct Care Labor (columns J through N)

- a. **Column J:** "Audited Direct Labor" is the amount shown on Audit Subacute Care Schedule 1, line 29, which includes salaries, wages, and benefits related to routine nursing services personnel, defined as nursing, social services, and activities for both permanent employees and temporary staff.
- b. **Column K:** "Inflated Direct Labor" applies the DHCS Labor Study inflation factor to Audited Direct Labor costs from column J. Direct labor costs are inflated from the mid-point of the facility's audited cost report period to the mid-point of the rate year.
- c. **Column L:** "Direct Labor Per Diem" is the Inflated Direct Labor in column K divided by the facility's Total Audited Days in column G.
- d. **Column M:** "95th Percentile for Peer Group" is the direct care labor benchmark per diem cap that is applied to the calculated Direct Labor Per Diem in column L.
- e. **Column N:** "Final Direct Labor Per Diem" is the lesser of the Direct Labor Per Diem in column L and 95th Percentile for Peer Group amount in column M.

Section 3. Indirect Care Labor (columns O through S)

- a. **Column O:** "Audited Indirect Labor" is the amount shown on Audit Subacute Care Schedule 1, line 30, which includes labor costs for:
- Plant Operations and Maintenance Personnel
 - Housekeeping Personnel
 - Laundry/Linen Personnel
 - Dietary Personnel
 - In-Service Education Personnel
 - Medical Records
- b. **Column P:** "Inflated Indirect Labor" applies the DHCS Labor Study inflation factor to the Audited Indirect Labor costs in column O. Indirect labor costs are inflated from the mid-point of the facility's audited cost report period to the mid-point of the rate year.
- c. **Column Q:** "Indirect Labor Per Diem" is the Inflated Indirect Labor amount in column P divided by the facility's Total Audited Days in column G.
- d. **Column R:** "95th Percentile Cap" is the indirect care benchmark per diem cap that is applied to the calculated Indirect Labor Per Diem in column Q.
- e. **Column S:** "Final Indirect Labor Per Diem" is the lesser of the Indirect Labor Per Diem in column Q and 95th Percentile Cap amount in column R.

Section 4. Direct & Indirect Non-Labor (columns T through X)

- a. **Column T:** "Audited Direct/Indirect Non-Labor" is the amount shown on Audit Subacute Care Schedule 1, line 31, which includes non-labor costs for:
- Skilled Nursing
 - Social Services
 - Activities
 - Plant Operations and Maintenance
 - Housekeeping
 - Laundry/Linen
 - Dietary
 - In-Service Education
- b. **Column U:** "Inflated Direct/Indirect Non-Labor" applies the CCPI inflation factor to Audited Direct/Indirect Non-Labor costs in column T. Audited Direct/Indirect Non-Labor costs are inflated from the mid-point of the facility's audited cost report period to the mid-point of the rate year.
- c. **Column V:** "Direct/Indirect Non-Labor Per Diem" is the Inflated Direct/Indirect Non-Labor amount in column U divided by the facility's Total Audited Days in column G.

- d. Column W:** "75th Percentile Cap" is the direct/indirect non-labor care benchmark per diem cap that is be applied to the calculated Direct/Indirect Non-Labor Per Diem in column V.
- d. Column X:** "Final Direct/Indirect Non-Labor Per Diem" is the lesser of the Direct/Indirect Non-Labor Per Diem in column V and the 75th Percentile Cap amount in column W.

Section 5. Administration (columns Y through AC)

- a. Column Y:** "Audited Admin" is the amount shown on Audit Subacute Care Schedule 1, line 38, includes total costs for:
 - Administration
 - Property Insurance
 - Interest – Other
- b. Column Z:** "Inflated Admin" applies the CCPI inflation factor to Audited Admin costs in column Y. Administration costs are inflated from the mid-point of the facility's audited cost report period to the mid-point of the rate year.
- c. Column AA:** "Admin Per Diem" is the Inflated Admin amount in column Z divided by the facility's Total Audited Days in column G.
- d. Column AB:** "50th Percentile Cap" is the administrative cost benchmark per diem cap that is applied to the calculated Admin Per Diem in column AA.
- e. Column AC:** "Final Admin Per Diem" is the lesser of the Admin Per Diem amount in column AA and the 50th Percentile Cap amount in column AB.

Section 6. Professional Liability Insurance (columns AD through AH)

- a. Column AD:** "Audited Liability Insurance (PLI)" is the amount shown on Audit Subacute Care Schedule 1, line 35.
- b. Column AE:** "Inflated Liability Insurance" applies the CCPI inflation factor to Audited Liability Insurance costs in column AD. Liability Insurance costs are inflated from the mid-point of the facility's audited cost report period to the mid-point of the rate year.
- c. Column AF:** "Liability Insurance (PLI) Per Diem" is the Inflated Liability Insurance amount in column AE divided by the facility's Total Audited Days in column G.

- d. **Column AG:** "75th Percentile Cap" is the liability insurance benchmark per diem cap that is applied to the calculated Liability Insurance Per Diem in column AF.
- e. **Column AH:** "Final Liability Insurance Per Diem" is the lesser of the Liability Insurance Per Diem in column AF and the 75th Percentile Cap amount in column AG.

Section 7. Property Tax (columns AI through AK)

- a. **Column AI:** "Audited Property Tax" is the amount shown on Audit Subacute Care Schedule 1, line 33.
- b. **Column AJ:** "Inflated Property Tax" applies a two percent per annum (0.16667 percent per month) inflation factor to Audited Property Tax costs in column AI. Property taxes are inflated from the mid-point of the facility's audited cost report period to the mid-point of the rate year.
- c. **Column AK:** "Final Property Tax Per Diem" is the Inflated Property Tax amount in column AJ divided by the facility's Total Audited Days in column G. Property tax per diem costs are not limited on a peer-group basis.

Section 8. Caregiver Training (columns AL through AN)

- a. **Column AL:** "Audited Caregiver Training" is the amount shown on Audit Subacute Care Schedule 1, line 37, which includes costs for education that is organized to train students to enter a caregiver occupational specialty.
- a. **Column AM:** "Inflated Caregiver Training" applies the CCPI inflation factor to the Audited Caregiver Training costs in column AL. Inflated Caregiver Training costs are inflated from the mid-point of the facility's audited cost report period to the mid-point of the rate year.
- c. **Column AN:** "Caregiver Training Per Diem" is the Inflated Caregiver Training costs in column AM divided by the facility's Total Audited Days in column G. Caregiver training per diem costs are not limited on a peer group basis.

Section 9. Fair Rental Value System (column AO)

- a. **Column AO:** Fair Rental Value System (FRVS) per diem is calculated based on the estimated current value of its capital assets in lieu of actual costs and/or lease payments on land, buildings, fixed equipment and major movable equipment used in providing resident care. The FRVS formula recognizes age and condition of the facility. Facilities receive increased

reimbursement when improvements are made. FRVS per diem costs are not limited on a peer group basis.

Section 10. Licensing Fees (columns AP through AS)

- a. **Column AP:** "Facility's Contracted Subacute Beds" are the facility's contracted subacute beds shown on Audit Subacute Care Schedule 1, line 45.
- b. **Column AQ:** "Bed License Fee" are the Department of Public Health's fee per bed:
 - a. \$1,765 Los Angeles County
 - b. \$1,061 Statewide, other than Los Angeles County
- c. **Column AR:** "Prospective License Fees" multiplies the Facility's Licensed Beds in column AP by the Bed License Fee in column AQ.
- d. **Column AS:** The "License Fee Per Diem" divides the Prospective License Fees in column AR by the facility's Total Audited Days in column G. Licensing fee per diem costs are not limited on a peer-group basis.

Section 11. CY 2021, 2022, and 2023 Minimum Wage Add-Ons (columns AT and AU)

- a. **Column AT:** "CY 2021 and 2022 Minimum Wage Add-Ons" is the total add-on of \$1.98 for minimum wage increases effective January 1, 2021 and January 1, 2022 as described in the Policy Letter.
- b. **Column AU:** "CY 2023 Minimum Wage Add-On" is \$0.45 for the minimum wage increase effective January 1, 2023 as described in the Policy Letter.

Section 12. Vent Equipment Per Diem (columns AV through AX)

- a. **Column AV:** "CY 2023 Vent Equipment Per Diem Projected" is the projected cost for CY 2023 Vent Equipment per diem.
- b. **Column AW:** "CY 2022 Vent Per Diem Final Rate Component" is the CY 2022 per diem rate provided for Vent Equipment.
- c. **Column AX:** "CY 2023 Vent Equipment Per Diem with Growth" increases the CY 2022 Vent Equipment Per Diem with ratchet in Column AW by the 2 percent non-labor growth limit.

Section 13. Labor Rate Component Growth Allocation (columns AY through BF)

- a. **Column AY:** "CY 2023 Labor Projected Costs" is the sum of:
- Column N - Final Direct Care Labor Per Diem
 - Column S - Final Indirect Care Labor Per Diem
 - Column AT - CY 2021 and 2022 Minimum Wage Add-Ons
- b. **Column AZ:** "CY 2022 Labor Final Rate Component" is the final CY 2022 labor per diem rate, as adjusted to meet the CY 2022 growth limit.
- c. **Column BA:** "CY 2022 Labor Projected Cost" is the CY 2022 labor projected costs with inflation but excluding adjustments to meet the CY 2022 growth limit.
- d. **Column BB :** "Decrease in CY 2023 vs CY 2022 Labor Projected Cost" calculates the percentage decrease between the CY 2023 Labor Projected Costs in column AY and the CY 2022 Labor Projected Costs in column BA, if applicable.
- e. **Column BC:** "CY 2023 Labor Hold Harmless" reflects the facility's hold harmless amount, which is calculated by prorating the CY 2022 Labor Final Rate Component in column AZ by the percentage Decrease in CY 2023 vs CY 2022 Labor Projected Cost in column BA, if applicable.
- f. **Column BD:** "Preliminary Labor Growth Allocation" is the calculated difference between CY 2023 Labor Projected Costs in column AY and CY 2023 Labor Hold Harmless in column BC. If a facility's CY 2023 Labor Projected Costs is less than the CY 2023 Labor Hold Harmless, the Preliminary Labor Growth Allocation is set to \$0.
- g. **Column BE:** "Adjusted Labor Growth Allocation" is the Preliminary Labor Growth Allocation in column BD, prorated by the Labor Growth Adjustment Factor of 100 percent so that aggregate growth in the weighted average labor rate component does not exceed 5 percent.
- h. **Column BF:** "CY 2023 Labor Rate Component" is the sum of the CY 2023 Labor Hold Harmless in column BC and Adjusted Labor Growth Allocation in column BE.

Section 14. Non-Labor Rate Component Growth Allocation (columns BG through BN)

- a. Column BG:** "CY 2023 Non-Labor Projected Costs" is the sum of:
- Column X- Final Direct/Indirect Non-Labor Per Diem
 - Column AC - Final Admin Per Diem
 - Column AH - Final Liability Insurance Per Diem
 - Column AO – Fair Rental Value System (FRVS)
 - Column AK – Final Property Tax Per Diem
 - Column AN – Final Caregiving Training Per Diem
- b. Column BH:** "CY 2022 Non-Labor Final Rate Component" is the final CY 2022 non-labor per diem rate, as adjusted to meet the CY 2022 growth limit.
- c. Column BI:** "CY 2022 Non-Labor Projected Cost" is the CY 2022 non-labor projected costs with inflation but excluding adjustments to meet the CY 2022 growth limit.
- d. Column BJ:** "Decrease in CY 2023 vs CY 2022 Non-Labor Projected Cost" calculates the percentage decrease between the CY 2023 Non-Labor Projected Cost in column BG and the CY 2022 Non-Labor Projected Cost in column BI, as applicable.
- e. Column BK:** "CY 2023 Non-Labor Hold Harmless" reflects the facility's hold harmless amount, which is calculated by prorating the CY 2022 Non-Labor Final Rate Component in column BH by the percentage Decrease in CY 2023 vs CY 2022 Non-Labor Projected Cost in column BI, if applicable.
- f. Column BL:** "Preliminary Non-Labor Growth Allocation" is the calculated difference between CY 2023 Non-Labor Projected Costs in column BG and CY 2023 Non-Labor Hold Harmless in column BK. If a facility's CY 2023 Non-Labor Projected Costs is less than the CY 2023 Non-Labor Hold Harmless, the Preliminary Non-Labor Growth Allocation is set to \$0.
- g. Column BM:** "Adjusted Non-Labor Growth Allocation" is the Preliminary Non-Labor Growth Allocation in column BL, prorated by the Non-Labor Growth Adjustment Factor of 16.94 percent so that aggregate growth in the weighted average non-labor rate component does not exceed 2 percent.
- h. Column BN:** "CY 2023 Non-Labor Rate Component" is the sum of the CY 2023 Non-Labor Hold Harmless in column BK and the Adjusted Non-Labor Growth Allocation in column BM.

Section 15. Final Rate Calculation (columns BO through CA)

- a. Column BO:** "CY 2023 Non-Vent Draft Rate" is the sum of the CY 2023 Labor Rate Component in column BF and the CY 2023 Non-Labor Rate Component in column BN.
- b. Column BP:** "CY 2023 Vent Draft Rate" is the sum of the CY 2023 Vent

Equipment Per Diem with Growth in column AX and the CY 2023 Non-Vent Draft Rate in column BO.

- c. **Column BQ:** "CY 2023 Draft Non-Vent Rate Adjusted for 2023 Minimum Wage Add-On" is the sum of the CY 2023 Non-Vent Draft Rate in column BO and the CY 2023 Minimum Wage Add-On in column AU.
- d. **Column BR:** "CY 2023 Draft Vent Rate Adjusted for 2023 Minimum Wage Add-On" is the sum of the CY 2023 Vent Draft Rate in column BP and the CY 2023 Minimum Wage Add-On in column AU.
- e. **Column BS:** "CY 2023 Draft Non-Vent Rate adjusted for 2023 Minimum Wage Add-on and License Fee" is the sum of the CY 2023 Draft Non-Vent Rate adjusted for 2023 Minimum Wage Add-on in column BQ and the Final License Fee Per Diem in column AS.
- f. **Column BT:** "CY 2023 Draft Vent Rate adjusted for 2023 Minimum Wage Add-on and License Fee" is the sum of the CY 2023 Draft Vent Rate adjusted for 2023 Minimum Wage Add-on in column BR and the Final License Fee Per Diem in column AS.
- g. **Column BU:** "2023 QA Fee Add-On" is the 2023 QAF:
 - \$19.61 per resident day for facilities with less than 100,000 total annual resident days.
 - \$18.65 per resident day for facilities with 100,000 or more total annual resident days.
- h. **Column BV:** "CY 2023 Draft Non-Vent Rate adjusted for QAF and 2023 Minimum Wage Add-on and License Fee" is the sum of CY 2023 Draft Non-Vent Rate Adjusted for 2023 Minimum Wage Add-On and License Fee in column BS and the 2023 QA Fee Add-on in column BU.
- i. **Column BW:** "CY 2023 Draft Vent Rate adjusted for QAF and 2023 Minimum Wage Add-On and License Fee" is the sum of the CY 2023 Draft Vent Rate Adjusted for 2023 Minimum Wage Add-On and License Fee in column BT and the 2023 QA Fee Add-on in column BU.
- j. **Column BX:** "COVID-19 PHE Temporary Rate Increase for Accommodation Code 75" is the COVID-19 PHE Temporary Rate Increase for ventilator dependent days. FS/SAs will continue to receive the COVID-19 PHE Temporary Rate Increase for dates of service through December 31, 2023. If a facility did not receive a COVID-19 PHE Temporary Rate Increase for Rate Year 2019-2020, the facility will receive the statewide weighted average COVID-19 PHE Temporary Rate Increase of \$55.02.
- k. **Column BY:** "COVID-19 PHE Temporary Rate Increase for Accommodation Code 76" is the COVID-19 PHE Temporary Rate Increase for non-ventilator dependent days. FS/SAs will continue to receive the COVID-19 PHE

Temporary Rate Increase for dates of service through December 31, 2023. If a facility did not receive a COVID-19 PHE Temporary Rate Increase for Rate Year 2019-2020, the facility will receive the statewide weighted average COVID-19 PHE Temporary Rate Increase of \$49.93.

- l. Column BZ:** "CY 2023 Final Non-Vent Rate" is the sum of the CY 2023 Draft Non-Vent Rate adjusted for QAF, 2023 Minimum Wage Add-on, and License Fee in column BV and the COVID-19 PHE Temporary Rate Increase for Accommodation Code 76 in column BY.
- m. Column CA:** "CY 2023 Final Vent Rate" is the sum of the CY 2023 Draft Vent Rate adjusted for QAF, 2023 Minimum Wage Add-on, and License Fee in column BW and the COVID-19 PHE Temporary Rate Increase for Accommodation Code 75 in column BX.

Facilities Receiving Newly Established Rates

For facilities that did not have facility-specific cost-based rates in CY 2022, Sections 13 and 14 are substituted as follows:

- a. Column AY:** "CY 2023 Labor Projected Costs" is the sum of:
 - Column N – Final Direct Care Labor Per Diem
 - Column S – Final Indirect Care Labor Per Diem
 - Column AT – CY 2021 and 2022 Minimum Wage Add-Ons
- b. Column BF:** "CY 2023 Labor Rate Component" is the CY 2023 Labor Projected Costs in column AY, multiplied by an adjustment of 100 percent. The percentage adjustment represents the weighted average factor by which the CY 2023 Labor Projected Costs for facilities included in Section 13 were adjusted.
- c. Column BG:** "CY 2023 Non-Labor Projected Costs" is the sum of:
 - Column X- Final Direct/Indirect Non-Labor Per Diem
 - Column AC - Final Admin Per Diem
 - Column AH - Final Liability Insurance Per Diem
 - Column AO – Fair Rental Value System (FRVS)
 - Column AK – Final Property Tax Per Diem
 - Column AN – Final Caregiving Training Per Diem
- d. Column BN:** "CY 2023 Non-Labor Rate Component" is the CY 2023 Non-Labor Projected Costs in column BG multiplied by an adjustment of 90.19 percent. The percentage adjustment represents the weighted average factor by which the CY 2023 Non-Labor Projected Costs for facilities included in Section 14 were adjusted.

Appendix C. Peer Groups

FS/NF-B facilities are divided into eleven geographic Peer Groups.

County Name	County Code	Peer Group	County Name	County Code	Peer Group
Alameda	1	2	Placer	31	4
Alpine	2	0	Plumas	32	9
Amador	3	4	Riverside	33	8
Butte	4	4	Sacramento	34	5
Calaveras	5	5	San Benito	35	0
Colusa	6	9	San Bernardino	36	8
Contra Costa	7	3	San Diego	37	7
Del Norte	8	9	San Francisco	38	2
El Dorado	9	3	San Joaquin	39	7
Fresno	10	9	San Luis Obispo	40	6
Glenn	11	9	San Mateo	41	3
Humboldt	12	4	Santa Barbara	42	5
Imperial	13	9	Santa Clara	43	4
Inyo	14	6	Santa Cruz	44	4
Kern	15	9	Shasta	45	3
Kings	16	9	Sierra	46	0
Lake	17	9	Siskiyou	47	3
Lassen	18	3	Solano	48	5
Los Angeles	19	1, 10, 11	Sonoma	49	3
Madera	20	9	Stanislaus	50	7
Marin	21	3	Sutter	51	4
Mariposa	22	0	Tehama	52	9
Mendocino	23	5	Trinity	53	0
Merced	24	9	Tulare	54	9
Modoc	25	0	Tuolumne	55	6
Mono	26	0	Ventura	56	5
Monterey	27	3	Yolo	57	6
Napa	28	3	Yuba	58	6
Nevada	29	3			
Orange	30	6			

Appendix D. Weighted Average Rates

CY 2023 FS/NF-B Peer Group Weighted Average Rates

Peer Group	Weighted Average Rate, excluding QAF and COVID-19 PHE
1	\$241.05
2	\$289.50
3	\$288.96
4	\$281.61
5	\$262.73
6	\$254.07
7	\$248.15
8	\$238.95
9	\$218.13
10	\$248.09
11	\$240.25
Statewide	\$253.77

CY 2023 FS/SA Peer Group Weighted Average Rates

Peer Group	Weighted Average Rate, excluding QAF and COVID-19 PHE
Non-Ventilator	\$539.41
Ventilator	\$589.99

For facilities reimbursed at a weighted average rate, the weighted average rate is adjusted by the QAF add-on and the COVID-19 PHE Temporary Rate Increase that was effective for the facility for Rate Year 2019-2020. If a facility did not receive a COVID-19 PHE Temporary Rate Increase for Rate Year 2019-2020, the facility will receive the applicable statewide weighted average COVID-19 PHE Temporary Rate Increase.

Appendix E. Bed Hold, Leave of Absence, Hospice, & Special Treatment Programs

Bed Hold or Leave of Absence

Pursuant to the California Medicaid State Plan (Attachment 4.19-C), payment to facilities for members who are on bed hold for acute hospitalization or who are on an approved leave of absence shall be at the appropriate facility daily rate less raw food costs. The CY 2023 rate reduction for bed hold or leave of absence is \$9.24 per diem, which was calculated by adjusting the CY 2022 rate of \$8.93 by the CCPI inflation factor.

Hospice

Pursuant to the California Medicaid State Plan (Attachment 4.19-D), payment for hospice room and board shall be made at 95 percent of the Medi-Cal facility-specific rate where the patient resides.

Special Treatment Programs

Pursuant to California Code of Regulations Title 22 § 51511.1, the Special Treatment Program (STP) supplemental payment is \$5.72 per day. STPs are approved by DHCS to provide mental health services for patients who have a diagnosed chronic psychiatric impairment and whose adaptive functioning is moderately impaired.